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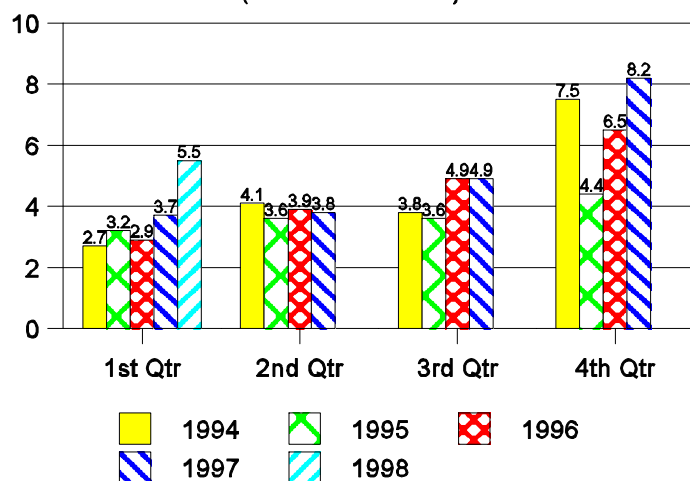
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ADVANCE DATA ON LARGE RETAILERS' PROFITS FOR THE FIRST QUARTER 1998

Large Retailers' After-Tax Profits

(Billions of Dollars)



After-tax profits for retail corporations with assets of \$50 million and over averaged 2.1 cents per dollar of sales for the first quarter of 1998, down 0.7 (± 0.1) cents from the preceding quarter, but up 0.6 (± 0.1) cents from the same quarter in 1997, according to advance data from the Commerce Department's Bureau of the Census.

For the first quarter of 1998, these large retail corporations reported after-tax profits of \$5.5 billion, down \$2.7 (± 0.3) billion from the preceding quarter, but up \$1.9 (± 0.2) billion from the same quarter a year ago. The annual rate of after-tax return on stockholders' equity was 11.8 percent, compared to 17.9 percent in the fourth quarter of 1997 and 8.6 percent in the first quarter of 1997.

First quarter 1998 sales were \$258.2 billion, down \$32.2 billion or 11.1 (± 1.5) percent from last quarter. First quarter sales compared to the same quarter a year ago were up \$18.6 billion or 7.8 (± 1.8) percent.

These data are based on quarterly financial reports obtained from 521 corporations. The figures in this release are *not* seasonally adjusted. More detailed information on the retail trade sector for the first quarter will be published in the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations--Second Quarter 1998 which is scheduled for release on September 14, 1998.

EXPLANATORY NOTES:

This quarter's publication contains data revised due to the reclassification of corporations by industry, and revisions that reflect respondents' corrections of data submitted subsequent to original publication.

The data presented in this report are estimated from a sample survey and therefore are subject to sampling variability as well as nonsampling variability such as response error, nonreporting, and coverage errors. Estimates of sampling variability are presented in the publication. A statement such as "up 2.5 (± 0.1) cents," appearing in the text, indicates the range (+2.4 to +2.6 cents) in which the actual change is likely to have occurred. The range given for the change is a 90 percent confidence interval that accounts only for sampling variability. If the range had contained zero (0), it would have been uncertain whether there was an increase or decrease; that is, the change would not have been statistically significant. For any comparison cited without a confidence interval, the change is statistically significant. The quarterly publication includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

This report is available on the day of issue through the Department of Commerce's on-line Economic Bulletin Board (202-482-1986) and on the Internet (<http://www.census.gov/agfs/www/qfr.html>).

Table 1. Income Statement for Retail Trade Corporations with Assets of \$50 Million and Over

Item	1Q 1998	4Q 1997 ¹	1Q 1997 ¹
	(million dollars)		
Net sales, receipts, and operating revenues	258,217	290,375	239,606
Less: Depreciation, depletion, and amortization	5,523	5,651	5,132
Less: All other operating costs and expenses	241,460	267,871	225,885
Income (or loss) from operations	11,235	16,854	8,589
Net nonoperating income (expense)	(2,102)	(3,599)	(2,399)
Income (or loss) before income taxes	9,132	13,255	6,190
Less: Provision for current and deferred domestic income taxes	3,591	5,048	2,539
Income (or loss) after income taxes	5,541	8,207	3,651
Cash dividends charged to retained earnings in current quarter	1,309	5,820	1,203
Net income retained in business	4,232	2,387	2,448
Retained earnings at beginning of quarter	117,972	116,509	108,138
Other direct credits (or charges) to retained earnings (net)	(1,408)	20	(1,422)
Retained earnings at end of quarter	120,797	118,916	109,163

Table 2. Income Statement in Ratio Format for Retail Trade Corporations with Assets of \$50 Million and Over

Item	1Q 1998	4Q 1997 ¹	1Q 1997 ¹
	(cents)		
Net sales, receipts, and operating revenues	100.0	100.0	100.0
Less: Depreciation, depletion, and amortization	2.1	1.9	2.1
Less: All other operating costs and expenses	93.5	92.2	94.3
Income (or loss) from operations	4.4	5.8	3.6
Net nonoperating income (expense)	(0.8)	(1.2)	(1.0)
Income (or loss) before income taxes	3.5	4.6	2.6
Less: Provision for current and deferred domestic income taxes	1.4	1.7	1.1
Income (or loss) after income taxes	2.1	2.8	1.5

Table 3. Operating Ratios for Retail Trade Corporations with Assets of \$50 Million and Over

Item	1Q 1998	4Q 1997 ¹	1Q 1997 ¹
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes	19.44	28.95	14.58
After income taxes	11.79	17.93	8.60
Annual rate of profit on total assets:			
Before income taxes	6.97	10.17	5.03
After income taxes	4.23	6.30	2.96

¹Revised.